

CITIZENS' INDEPENDENT TRANSPORTATION TRUST (CITT)
BUDGET AND FINANCE COMMITTEE MEETING

Thursday, August 28, 2003
Miami Project Lois Pope Center
1095 NW 14th Terrace
Miami, FL
9:00 am

Summary of Minutes

CITT MEMBERS:

Theodore Wilde, Chairman
Mike Abrams
Marc Buoniconti
Thamara Labrousse
Miles Moss

OTHERS PRESENT:

Danny Alvarez, OPTM
Alex De La Cruz, Mayor's Office
Bruce Libhaber, Assistant County Attorney
Pepe Vales, OPTM
Alfredo Gonzalez, Commissioner Barreiro's Office
Seraphin Bernard, MDT
Manuel Mejido, Citizen
Clinton Forbes, MDT
Jose Galan, Public Works Dept.
Albert Parjus, OPTM

ROLL CALL

With a quorum being present, the meeting of the Budget and Finance Committee was called to order by Theodore Wilde, Chairman at 9:15 a.m.

WELCOMING REMARKS

Mr. Wilde thanked Mr. Bouniconti for hosting the meeting at the Miami Project Lois Pope Center.

Mr. Buoniconti welcomed everyone and invited everyone to attend the tour immediately following the meeting. He briefly stated that the Miami Project has become the world's largest, most comprehensive spinal cord injury research center. With over 150 doctors, and scientists working on a cure for paralysis.

APPROVAL OF AGENDA

Mr. Wilde stated that the agenda has changed because the County Manager's revised budget has not been completed. The letter of engagement for KPMG to review the budget and cash flow projections to 2031 is not available. He added two items in section: 1) Proposed Bylaws and 2) Staffing needs for the CITT. The revised agenda was moved by Mark Buoniconti, seconded by Ms. Labrousee and carried without dissent.

APPROVAL OF MINUTES

Mr. Buoniconti moved to approve the July 22, 2003 minutes, seconded by Ms. Labrousse and carried without dissent.

COUNTY 2003-2004 BUDGET

Mr. Wilde asked Danny Alvarez, Executive Director OPTM for updated information regarding the budget for 2003-2004. Mr. Alvarez said the County Manager met with staff last week and discussed the organizational structure, budget, CITT staffing, and how to manage the program to build the rail lines. The manager has taken into consideration all recommendations and plans to issue a report to the BCC before September 11, 2003 and the second budget hearing September 17, 2003. Commissioner Barreiro and Commissioner Moss requested that the recommendations be presented to the OPTM and Transportation subcommittee.

OPTM's organizational structure needs to change because the federal government will not allow OPTM to undertake new projects with the existing level of staff. Mr. Alvarez distributed recommended "changes to OPTM Proposed Operating Budget" and briefly explained its contents. He indicated that the Office of Secretariat currently has one position and that will increase. The Office of

Performance and Improvement did a study on different organization's models as it relates to OPTM/MDT/CITT.

- 1) The first model shows no changes to organizational structure except to correct some areas maintaining duplication of efforts. The budget office identified the same. Mr. Alvarez stated that both departments should coordinate efforts to avoid duplication.
- 2) The second model is a new structure with one administrative, one planning and one operating unit.
- 3) The final model blends in the functions of planning and development returning to the way the departments were structured before November 5, 2003.

Mr. Bouniconti said that he previously asked for a report illustrating last year's budget and the current proposed budget. Additionally, he requested information on what is currently covered by the maintenance of effort within MDT/OPTM and to differentiate what is suppose to be covered by PTP money.

Mr. Alvarez responded that the budget office is preparing an analysis that differentiates general fund expenditure, operating revenues versus and old and new expenditures funded by the surtax. The budget office is waiting for the County Manager's recommendations.

Mr. Alvarez added the Manager agrees that the CITT should have more than 3 staff positions. He suggested if the members would like a presentation regarding staffing the CITT could invite the budget office to be present.

Mr. Abrams asked for an update regarding hiring KPMG/Sharpton/Brunson for auditing services. The request was approved by the Project Review Committee members.

Mr. Alvarez said that the County Manager felt that the Trust should have its own auditing firm working for the CITT. The finance department needs to assign someone from the current pool and apparently KPMG has the current contract for transportation and Sharpton/Brunson are one of the subcontractors.

Mr. Abrams stated that Mr. Jack Furney, Assistant Director, OPTM has scheduled two separate meetings for himself and Mr. Wilde to meet with KPMG consultants. The County Manager can hire this firm.

Mr. Libhaber stated that the CITT cannot enter into a contract, however since it was approved by the Project Review Committee members and at the CITT meeting, Mr. Wilde can speak to the Manager and ask him to assign KPMG/Sharpton/Brunson to work with the CITT. That request will then need to be ratified by the Trust members.

Mr. Bouniconiti said the Trust should be able to hire its own independent auditor, one not already selected by the County. Mr. Libhaber responded that in order for that to occur the Trust could request from the County Manager to be part of the selection committee. Once a recommendation is made it will then be forwarded to the County Manager who will either approve or disapprove the recommendation. If he approves the recommendation, he will then forward it to the Board of County Commissioners for approval. The CITT will also need to approve the contract as well.

Mr. Alfredo Gonzalez, Chief of Policy Analysis for Commissioner Bruno Barreiro asked the members if they had received a copy of the resolution sponsored by Commissioner Barreiro regarding the maintenance of effort. The Resolution directing that in fiscal year 2002-2003 and subsequent fiscal years the county provides MDT and OPTM with at least the same proportionate share of capital improvement local option gas tax revenue and the same level of in-kind support provided to MDTA during the fiscal year ending September 30, 2002. Mr. Gonzalez asked staff to forward a copy of the resolution to the members.

Mr. Abrams motioned that the Chairman of the Budget and Finance Committee meet with the appropriate County Manager's staff and OPTM staff to engage KPMG/Sharpton/Brunson to review the County Manager's recommendations as it relates to maintenance of effort and the appropriate use of surtax tax dollars 2003-2004 County Budget relating to transportation, and report back to the CITT before the final budget hearings for the Board of County Commissioners. The motion was seconded by Mr. Buoniconti and carried without dissent.

Mr. Wilde stated that the firms need to know that they will need to have the report before September 17, 2003.

Mr. Buoniconti asked Mr. Libhaber to clarify the process. Mr. Libhaber stated that the process he discussed was for a long-term engagement between the County through the Trust and a consulting firm to review the budgets until the contract expires. That process is done through a competitive bid process. The motion passed is to retain the firm that is already under contract with the County in the field of transportation and that firm is KPMG/Sharpton/Brunson.

Mr. Buoniconti made a motion for the Budget and Finance Committee to begin the process to solicit and hire an auditing/accounting firm that is independent of the current County's pools of auditors.

Mr. Libhaber stated that the motion must be forwarded to the full Trust. The motion is to request the County Manager to advertise the procurement of these services. In other words, you are forwarding the motion to the full Trust as a resolution and forward that resolution to the County Manager. The manager will then prepare bid solicitation and that will be forwarded to the BCC for approval.

Mr. Buoniconti made a motion to engage the County Manager to advertise for the procurement of an auditing/accounting firm independent of the current Miami Dade County's auditing firms and that the CITT members be a majority part of the final selection committee. The motion was seconded by Ms. Labrousse and carried without dissent.

Mr. Libhaber stated that once a draft of the RFQ or RFP is completed the members would be able to make the appropriate suggestions before it is forwarded to the County Manager.

Mr. Alvarez distributed and discussed in detail the MDT Proposed Revenue and Expenditures Budget for fiscal year 2003-2004. He noted that the document was prepared by MDT and the Budget office and it is not a final recommendation. The summary is a breakdown of revenue categories and expenditure categories. The surtax revenues for MDT are \$66,225 million. Public Finance Management (PMG) is working on the proforma cash flow analysis that was also done last year by PFM. They are updating the Proforma and making recommendations for long term financing to improve the cash flow. In addition, PFM is preparing a revenue-forecasting model that takes into account the effects when new rail lines are added.

Mr. Alvarez distributed and discussed the Changes to the OPTM Proposed Operating Budget. He discussed the expenditures and the positions needed to implement the PTP. The County Manager agreed that more staff support is needed for the Trust to fulfill its responsibilities of oversight. However, it has not been determined how many more positions will be added.

Mr. Wilde asked how much of surtax proceeds are going to be used for Public Works projects?

Mr. Jose Galan, Assistant Director Public Works Department responded "\$20 million for the projects only". PWD would like to have three staff assigned to the PTP. The other positions will be reimbursed, such as project managers and engineers.

Mr. Wilde asked Mr. Galan to provide the committee with a budget summary. He responded that the budget office is working on that.

Mr. Buoniconti asked who approves those employees for the Public Works Department.

Mr. Libhaber responded that it is at the discretion of the County Manager to approve all personnel for the Trust.

Mr. Moss summarized the items that should be included in the total budget that will include all the departments combined (MDT/OPTM/PWD) which will include how the surtax monies are going to be spent.

Mr. Alvarez distributed and briefly discussed the Miami Dade Transit Revenue & Expenditures Budget. Mr. Bradley, unfortunately, is not present to discuss this summary in more detail, and perhaps can address the committee at the next meeting. He stated that the August bus services improvements had not been implemented because of a result of lower than expected fare box revenues, which is believed to be a result of fraud and is currently being investigated. He mentioned the shortfall in advertising revenues is due to the contracted company filing for bankruptcy, and the County is now in litigation.

Mr. Libhaber noted that there is a RFP for transit advertising and bids have been received. The selection committee has already met and a recommendation will be made before the end of the year. . MDT has just entered into a transit shelter contract and will be receiving revenues from that source. It had been over 18 months since the last shelter provided advertisement revenues because of a tragedy that occurred with a minor. Therefore, the revenue figures shown will increase next year.

Mr. Wilde asked staff to contact Mr. Roosevelt to address the committee regarding the budget at the next meeting. Mr. Clinton Forbes, Assistant to the MDT Director stated that Mr. Roosevelt would give a full report at the next meeting.

Mr. Wilde stressed the importance of obtaining all figures in order to make the appropriate recommendations to the CITT.

MDT PASSENGER REVENUES

Mr. Alberto Parjus, Chief Management Services distributed and reported the difference in Metrobus and Metrorail monthly boarding and fare collection from October thru June for fiscal year 2002-2003. During that period bus services have been increased 16%. Fare box is the total cash and tokens collected from the bus, excluding any passes. The current system needs the bus driver to key in those passengers using a pass or golden passport. Mr. Alvarez added that the additional Metrorail service is not reflected on the charts because it began in June 2003.

Mr. Abrams questioned the reduction in Metro bus passenger boardings since service has increased. Mr. Alvarez responded that it has been a 16% gradual increase in service and the performance of these services will be monitored.

Mr. Buoniconti asked Mr. Parjus for the cash flow projections to 2031. Mr. Alvarez responded that PFM has been working on the model and hopefully it will be completed by the next meeting.

Mr. Moss clarified what needs to be included in the projection is the original 30 year PTP and the cash flow analysis of how those projects are going to be accomplished. If those projects are not going to be able to be completed the public needs to be made aware that. The plan in exhibit 1 shows a certain amount of projects and those projects should be accomplished within 30 years.

Mr. Buoniconti clarified the reason his objections to adding more projects to the PTP since it is uncertain that the present projects in the PTP can be completed within 30 years with the current projected funding.

Mr. Alvarez said that all anticipated projects are being built and operating within the 20 years will have sufficient funding, given the federal participation to build operate and maintain. After 10 years which will be approximately 2023 more money will be needed to operate and maintain the projects.

Mr. Moss asked where future funding would be coming from?

Mr. Alvarez responded there are several options, such as increasing fare. Mr. Alvarez stated that the cash flow analysis is a living document and will need to be adjusted every year.

Mr. Abrams expressed that the public was told that the PTP was based on many assumptions. However, one of the responsibilities of the Trust is to inform the public of any modifications made to the PTP.

Mr. Wilde said we are looking for the best current projections with the most recent assumptions and compare that with the original projects and then we are going state what can or cannot be done that was originally planned. Why it can't and what would need to be done along the way so it can be done.

Mr. Wilde asked the members to look at item 8 relating to CITT staffing needs and Bylaws these items will be addressed at the next meeting scheduled for September 8, 2003 at 2:00 pm.

ADJOURNMENT

Mr. Wilde thanked Mr. Buoniconti again for his hospitality and moved to adjourn the meeting. The motion was moved by Mr. Abrams and seconded by Ms. Labrousee and carried without dissent. The meeting adjourned at 11:40 a.m.

Mr. Buoniconti then led a tour of the Miami Project.